

### REMARKS

The enclosed is responsive to the Examiner's Office Action mailed on February 16, 2011. By way of the present response applicants have: 1) amended no claims; 2) added no claims; and 3) canceled no claims. Reconsideration of this application as amended is respectfully requested.

#### Examiner Interview

The undersigned attorney for the applicant thanks the Examiner for the courtesy of conducting a telephonic interview on June 23, 2011. During the interview, the Examiner and the undersigned attorney discussed the Examiner's objections to the Declaration of Wayne H. Wagner under 37 C.F.R. §1.132 submitted December 27, 2011. The undersigned attorney agreed to provide the main points of said discussion in the enclosed remarks. The Examiner agreed that the enclosed remarks should overcome the objection to the Declaration and overcome the current rejection of the claims. The Examiner indicated that he would need to perform a further search of the art. No agreement to patentability was reached.

#### Declaration under 37 C.F.R. §1.132

In the Office Action dated February 16, 2011, the Examiner alleged the Declaration of Wayne H. Wagner under 37 C.F.R. §1.132 is ineffective to traverse the rejection of claims 1-3, 5-18, 20 and 22-23 under 35 U.S.C. §103(a). Applicant respectfully disagrees.

For example, the Examiner alleged that there was no showing that persons were working on the problem and, if so, for how long. Applicant directs the Examiner's attention to paragraphs 6 and 10 of the Declaration, which set forth that for the past 20 years, liquidity has become increasingly important to mutual funds as investors have been shifting assets at an ever-increasing pace. The end of the boom markets of the 1990's subjected funds to significant and continuing redemptions. As a result, managers have relied on the three methods to meet liquidity needs in response to net share redemptions, which are set forth in paragraphs 10a., 10b., and 10c. Further discussion of these three methods and why they fell short is found in Exhibits A, B, and C.

The Examiner also alleged that the Declaration does not include a showing that the claims of the present application are not obvious in light of the cited references. Applicant directs the Examiner's attention to paragraph 19, which sets forth a detailed discussion of why the claims are not obvious in light of the cited references. Furthermore, applicant directs the Examiner's attention to paragraph 18, which describes the reaction to Redemption Service (an embodiment of the claims). Faced with an actual embodiment, people expressed doubts that such an approach could be favorable to either the mutual funds or ReFlow. It took some time to overcome this initial skepticism. Applicant respectfully submits that the initial skepticism of an actual embodiment of the claimed subject matter further indicates that the claims are not obvious in light the cited references. Additionally, paragraph 17 describes a failed attempt to mimic Redemption Service.

The Examiner continued by alleging that the Declaration refers to a system described in the application but not to individual claims. Applicant directs the Examiner's attention to paragraphs 8 and 9, which describe ReFlow's offering of Redemption Service and that Redemption Service includes the features set forth in the independent claims. In particular, paragraph 9 describes that each of the features of the independent claims were a part of Redemption Service.

Lastly, the Examiner alleged that the Declaration's attempts to show commercial success did not provide a nexus between the claimed invention and said commercial success. Applicant directs the Examiner's attention to paragraphs 13-16, which describe Redemption Service's commercial success despite initial skepticism and that said success is attributed to the merits of the features claimed in the present application and is not merely the result of heavy promotion or advertising, shift in advertising, consumption by purchasers normally tied to applicant or assignee, or other business events extraneous to the merits of the claimed invention. Additionally, in accordance with the No-Action Letter from the SEC, the Board of Directors of a participating mutual fund must find that the fund's participation is in the best interest of the fund and its shareholders. Applicant submits that it is unlikely that promotion or advertising, rather than the merits of the claimed invention, would be enough for a Board of Directors of a mutual fund to find participation in Redemption Service to be in the best interest of the fund.

Accordingly, applicant respectfully submits that the Examiner's objections to the Declaration have been overcome.

### ***Claim Interpretation – Method Steps***

The Examiner alleges that claims 1 does not positively recite the statutory class to which it is tied, by identifying the apparatus that accomplishes the method steps. The Examiner sets forth an example alleging that claim 1 recites "receiving, ***at a computer server***, registration information." (Office Action dated 2/16/11) (emphasis added). Applicant respectfully submits that the claim language recited by the Examiner reflects the language used in claim 1 prior to the Amendment dated 12/27/10.

In the Amendment dated 12/27/10, claim 1 was amended to recite "receiving, ***by a computer server***, registration information." Applicant respectfully disagreed and submitted that it is not reasonable to interpret receiving something at a computer server as a purely mental step performed by a human. In the interest of furthering prosecution, however, applicant amended claim 1 to recite "receiving, by a computer server" to clarify that the receiving is performed by the computer server. Other features of claim 1 are also recited as being performed by the computer server.

### ***Claim Interpretation – Intended Use or Intended Results***

The Examiner alleges that claims 1, 15-18, 20, and 22 contain statements of intended use which require correction. The Examiner, however, has not indicated with any particularity which claim features allegedly require correction. Should the Examiner maintain that the claims contain statements of intended use that require correction, applicant respectfully requests further explanation as to which specific clauses the Examiner believes need to be corrected.

Additionally, applicant respectfully submits that functional language does not, in and of itself, render a claim improper. Applicant recognizes that claims directed to an

*apparatus* must be distinguished from the prior art in terms of structure rather than function. Applicant notes, however, that claims 1, 17, and 22 are, respectively, method and Beauregard claims, not apparatus claims. Additionally, applicant respectfully submits that applicants have not relied upon an intended use or manner of operation of an apparatus to differentiate a claimed apparatus from the prior art.

### ***Claim Interpretation – Preamble***

The Examiner further alleges that the portion of the preambles for claims 15 and 16 that recites “for providing liquidity utilizing a liquidity vehicle” is stating an intended use for the claimed systems. Applicant respectfully disagrees with the Examiner that this is merely an intended use. The above-quoted language from the preambles of claims 15 and 16 helps define a functional characteristic of the claimed systems.

### **Claim Rejections – 35 U.S.C. §103**

Claims 1-3, 5-18, 20 and 22-23 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 7,035,820 by Goodwin et al. (“Goodwin”), U.S. Patent Publication No. 2003/0074300 by Norris (“Norris”), and U.S. Patent No. 7,249,075 by Altomare (“Altomare”).

Goodwin describes a data processing system for buying and selling commercial loans on the secondary whole loan market, allowing sellers to quickly and effectively reach a broad and qualified investor audience and reduce the significant time and cost associated with conducting traditional due diligence. (Goodwin, col. 1, line 17 – col. 2,

line 19). Applicant does not admit that Goodwin is prior art and reserves the right to swear behind Goodwin at a later date.

Norris describes a repurchase agreement lending facility for debt issued by a business (i.e., bonds) in order to allow the business to increase the ease of selling the debt without movement in price due to the debt going "special" and being "squeezed." (Norris, paragraphs [0002] – [0007]). Applicant does not admit that Norris is prior art and reserves the right to swear behind Norris at a later date.

Altomare describes the administration of principal protected equity linked financial instruments. In particular, Altomare describes the instrument consisting of U.S. Treasury STRIPS and shares of a large-cap issuer (at a particular ratio) and reinvesting periodic distributions. Applicant does not admit that Altomare is prior art and reserves the right to swear behind Altomare at a later date.

Applicant respectfully submits that the combination of Goodwin, Norris, and Altomare fails to disclose

determining ... that the registered investment fund has a net share outflow, wherein the net share outflow comprises the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time.

(Claim 1).

Applicant agrees with the Examiner that neither Goodwin nor Norris discloses this claim feature. Applicant respectfully disagrees, however, with the Examiner's assertion that Altomare discloses this claim feature. The Examiner's rejection only references the Summary of the Invention from Altomare, without any explanation or

particular citation of relevant features described therein. Applicant respectfully submits that Altomare does not disclose the above-quoted feature in its summary or anywhere else in its specification. Altomare describes managing a trust with a particular ratio of U.S. Treasury STRIPS and shares of stock. The combination of STRIPS and stock is characterized in units of the trust which can be bought and sold. Periodic distributions are calculated based upon comparisons of current value of the trust units to a pre-set par value and excess value payments may be reinvested. Altomare, however, is silent regarding an investment fund having a net share outflow as claimed in the present application – i.e., the registered investment fund having an excess number of shares being redeemed, excluding shares redeemed by the liquidity vehicle, in comparison to a number of shares being purchased, excluding shares purchased by the liquidity vehicle, over a predetermined amount of time.

Additionally, applicant submits that the combination of Goodwin, Norris, and Altomare fails to disclose

prompting, ... in response to the determination that  
the registered investment fund has a net share outflow, the  
registered investment fund to offer shares to the liquidity  
vehicle

(Claim 1).

The Examiner alleges that Goodwin discloses prompting an investment fund to offer shares to the liquidity vehicle. Applicant disagrees and submits the citations provided by the Examiner describe alerts/notifications for sellers but do not disclose prompting an investment fund to sell shares. For example, Goodwin discloses notifying potential sellers “whenever a Buyer has expressed interest in a financial product” and “when events impact his financial product” including “changes in valuation, confirmation

of financial product pricing by the Analyzer, queries from Buyers, Bids made (highest Bid information)." (Goodwin, Col. 12 lines 20-25 and Table 1). Furthermore, Goodwin does not disclose prompting an investment fund to offer shares ***in response to the determination that the registered investment fund has a net share outflow.***

Norris also fails to disclose this feature. Norris does not describe prompting of an investment fund, or any other potential seller, to offer shares in response to a net share outflow.

Altomare also fails to disclose this feature. Altomare does not describe prompting of an investment fund, or any other potential seller, to offer shares in response to a net share outflow.

Applicant submits that the rejection fails to consider the claim as a whole, improperly distills the claim to a "gist," and that, instead, "[a]ll words in a claim must be considered in judging the patentability of that claim against the prior art." (MPEP §2141.02 and §2143.03 quoting *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970)). Each term in a claim must be, where reasonably possible, given meaning. (see *In re Greene*, 22 F.3d 1104). Applicant requests that the Examiner consider all of the claim language, e.g., "prompting, ... in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle." (Claim 1). The Examiner's rejection is not based upon a simple combination of the references, but additionally requires modification of features pulled from the references. Said modification is not taught or suggested by the references and appears to only be motivated by improper hindsight. The Examiner has asserted that the general concept of buyer/seller alerts from Goodwin discloses this claim feature.



Applicant maintains that the claim features are not disclosed by the references and submits that prompting, in response to the determination that the registered investment fund has a net share outflow, the registered investment fund to offer shares to the liquidity vehicle is not inherently or implicitly disclosed by the combination of Goodwin, Norris, and Altomare. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with an applicable reference.

The combination of Goodwin, Norris, and Altomare also fails to disclose

redeeming ... at least one of the at least one  
purchased share from the registered investment fund in  
response to a net inflow of shares of the registered  
investment fund.

(Claim 1).

Applicant agrees with the Examiner that neither Goodwin nor Norris discloses this claim feature. Applicant respectfully disagrees, however, with the Examiner's assertion that Altomare discloses this claim feature. The Examiner's rejection only references the Summary of the Invention from Altomare, without any explanation or particular citation of relevant features described therein. Applicant respectfully submits that Altomare does not disclose the above-quoted feature in its summary or anywhere else in its specification. As argued above, Altomare describes the management of a trust. Altomare, however, is silent regarding redeeming shares in response to a net inflow of shares of a registered investment fund. The combination of references only teaches, via Goodwin, the termination of a repurchase agreement ***based upon a fixed timeline*** -- not the redemption of a share in response to a net inflow of shares of the registered investment fund. Once again, the Examiner's rejection is not based upon a simple combination of the references, but additionally requires modification of features

pulled from the references. Said modification is not taught or suggested by the references and appears to only be motivated by improper hindsight. Should the Examiner maintain this rejection, applicant requests that the Examiner support this assertion with an applicable reference.

Accordingly, applicant respectfully submits that the rejection of claim 1 has been overcome.

Given that claims 2, 3, and 5-14 are dependent claims with respect to claim 1, either directly or indirectly, and include additional limitations, applicant submits that claims 2, 3, and 5-14 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin, Norris, and Altomare.

Claims 15-18, 20, and 22-23 stand rejected based upon the same art and rationale as claims 1-3 and 5-14. While claims 15-18, 20, and 22-23 differ from claims 1-3 and 5-14, they recite similar features to those argued above. Accordingly, applicant respectfully submits that claims 15-18, 20, and 22-23 are not obvious under 35 U.S.C. § 103(a) in view of Goodwin, Norris, and Altomare for at least the reasons discussed above.

### CONCLUSION

Applicant respectfully submits that in view of the amendments and arguments set forth herein, the applicable objections and rejections have been overcome. Applicant reserves all rights under the doctrine of equivalents.

Pursuant to 37 C.F.R. 1.136(a)(3), applicant hereby requests and authorizes the U.S. Patent and Trademark Office to (1) treat any concurrent or future reply that requires a petition for extension of time as incorporating a petition for extension of time for the appropriate length of time and (2) charge all required fees, including extension of time fees and fees under 37 C.F.R. 1.16 and 1.17, to Deposit Account No. 02-2666.

Respectfully submitted,

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Date: July 1, 2011

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